

man's Subcommittee on Health and the Environment, is that "costs were always greater than anticipated." It's not surprising that most Americans are reluctant to give people like Waxman and Wyden the responsibility for cost containment under a Clinton Lite health-care system.

Although both Bill and Hillary Clinton have at various times blamed the health-care inflation crisis on "greedy" drug companies, insurance companies, and private hospitals, the truth is that government programs, principally Medicare and Medicaid, have been the engine of health-care inflation for more than a quarter-century. From 1950 to 1965—the 15 years before Medicare and Medicaid—health-care costs grew at 3.5 per cent a year. But since 1966, the health-care inflation rate has more than doubled, to 7.8 per cent.

This is not just coincidental. Since 1966 private-sector health costs have grown by about 7 per cent a year, while government programs have grown by roughly 15 per cent a year—despite a series of laws passed by Congress in the 1980s and early 1990s to "control government costs" through price controls and other measures.

The performance of Medicare and Medicaid makes one thing clear: any health-care legislation that expands government programs will almost certainly fuel inflation. "Over the last quarter-century," admits Senate Finance Committee Chairman Daniel Patrick Moynihan (D., N.Y.), "we have all been wrong on the costs of entitlements." This is a vast understatement. The Hospital Insurance program was supposed to cost \$9 billion in 1990. Instead it cost \$67 billion—a 600 per cent forecasting error. The propensity to underestimate the cost of new entitlements is not something unique to Medicare. A recent Citizens for a Sound Economy report shows that Social Security now costs six times as much as was projected as recently as 1965; federal disability insurance costs nine times as much as originally predicted.

Even with overall health-care inflation slowing, reform of government health programs is necessary. Medicare is already teetering on the brink of bankruptcy. By 1998 the program's expenditures will begin to outpace payroll-tax revenues, and the deficit will widen rapidly. For the program to remain financially viable, the payroll tax

would have to rise from 2 per cent of taxable payroll today to a staggering 24 per cent by 2020, according to calculations by Haeworth Robertson, former chief actuary of the Social Security Administration.

These numbers underscore the absurdity of the current reform proposals. House Majority Leader Richard Gephardt's bill would create "Medicare Part C," almost doubling the number of Americans on this nearly insolvent program. If there are truly 37 million uninsured Americans, and even if it takes only \$2,000 a year to cover each one, this would cost taxpayers about \$75 billion a year.

The Clinton Lite plans do not solve the essence of the health-care problem, which is that the vast majority of Americans are overinsured, not underinsured. As economist Stan Liebowitz of the University of Texas at Dallas writes in a new Cato Institute study: "The major culprit in the seemingly endless rise in health-care costs is the removal of the patient as a major participant in the financial and medical choices that are currently being made by others." Since 1960 the share of medical bills paid by patients has dropped from 58 to 20 per cent, while the share paid by government has

risen from 22 to 42 per cent; 95 per cent of hospital bills are now paid through government or private insurance. Not surprisingly, hospital fees have long been the fastest growing component of health-care costs.

The quick and simple way to fix the system, slow inflation further, and make health insurance more affordable is through Medical Savings Accounts. These accounts would essentially force patients to be cost-conscious consumers. Each American could put \$3,000 a year into a personal health account similar to an IRA. Any unused money would eventually be rolled over into a personal IRA to be spent at retirement. This approach not only cuts out the insurance and government middlemen for minor expenses but gives consumers an incentive to seek low-cost care.

If Congress continues to resist these sensible changes, it should at least follow the Hippocratic injunction: "First, do no harm." The self-reforms transforming the medical marketplace are far more promising than the proposals moving through Congress. The real looming crisis in health care today is the possibility that Congress will manage to pass "broad-based reform" after all. □

Where Will All the Rifles Go?

CONCEALED WEAPONS

Congress can pass a law banning an arbitrary list of firearms, but it can't make Americans obey it.

BRYAN R. JOHNSON

CONGRESS and the American people have an agreement: Congress can create laws, but they should be necessary and effective. In return, once a law is passed, the people (or most of them, anyway) will

obey it. When that agreement breaks down, so does the rule of law. Ineffective laws, or laws that encroach too much on the private domain, breed cynicism, contempt, and non-compliance.

One piece of legislation that will be both ineffective and intrusive is the so-called "assault-weapon ban" approved by Congress last month as part of the

Mr. Johnson is a businessman and freelance writer who lives in Michigan's Upper Peninsula. He is heavily armed.

Omnibus Crime Bill. The ban, introduced by Representative Charles Schumer (D., N.Y.) and Senator Dianne Feinstein (D., Calif.), forbids the manufacture and sale of certain semi-automatic firearms and of ammunition magazines that hold more than ten rounds.

Although the stated purpose of the ban—as of the bill as a whole—is to reduce crime, no well-informed person can reasonably expect it to do so. Writing in the *New York Times* just before passage of the bill, gun-control advocate Osha Gray Davidson observed: “Such a ban would not make our streets safer, and it would not reduce gun violence. Perhaps the best thing that can be said about the measure is that the NRA is against it. But even the extremists in charge of the rifle association can sometimes be right, and they happen to be right on this one. The 19 models of ‘assault weapons’ that would be banned by this bill are indistinguishable from dozens of other guns that would not be.”

Davidson’s reference to “19 models” shows how people were misled by the floor debates on the bill. Although Schumer kept insisting that only 19 firearms fell under the ban, a provision banning all “copycat” versions of the 19 firearms would bring the total up to at least 184 current models. And the bill’s much-ballyhooed list of 650 “protected” firearms is a red herring. The bolt-action, lever, pump, and single-shot rifles and shotguns on that list would not have fallen under the bill’s definition of “assault weapon” in any case.

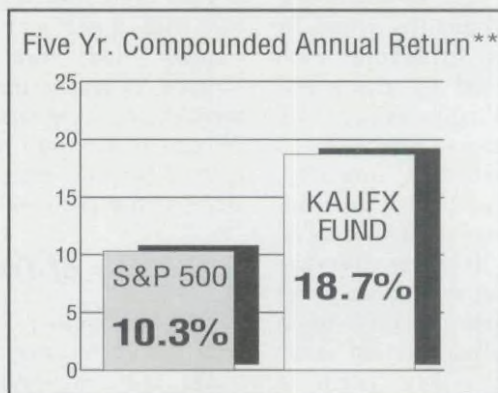
Remember Waco?

ONE OF the law’s great dangers is that it gives the Bureau of Alcohol, Tobacco, and Firearms the authority to add to the list of banned guns without additional legislation. Gun owners—knowing that many of the other firearms they own are not substantially different from the ones covered by the ban—are fearful that the list will expand to include virtually all semi-automatic rifles and shotguns. The BATF has certainly shown enthusiasm for expanding its list of “destructive devices” by adding several models of revolver-type shotguns. And the bureau recently used administrative sleight of hand to add a popular type of rifle ammunition

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to its list of "cop killer" handgun bullets.

In addition to prohibiting the future manufacture and sale of "assault weapons," the bill originally required everyone who currently owns one of the listed firearms to register it with the BATF. It was not clear at press time whether this requirement was in the final version, but another bill, "Brady II," includes a similar provision. Will gun owners comply? The punishment if they don't (and if they get caught) will be stiff: as much as a \$1,000 fine, up to 6 months in jail, or both. Even so, the experience with similar bans adopted by cities and states suggests that gun owners will resist the law in massive numbers.

Consider the case of New York City. Twenty-five years ago, New York instituted city-wide registration of all rifles and shotguns assuring everyone that the registration list would never be used for confiscation. In 1990, when the city decided to ban certain semi-automatic rifles, the police went to that very same registration list to find the names and addresses of everyone who owned such rifles. These owners received letters from the police informing them that they had three choices: remove the rifles from the city limits, render them inoperative, or turn them in to the police. The owners were required to mail a form to the police, stating how they had complied.

The compliance rate was fantastic—98 per cent of the people on the list mailed in the forms. But gun-control scholar Stephen Halbrook reports that almost all the forms claimed the rifles had been removed from the city. No proof was required, and although there is a stiff penalty for making a false statement on the form, many of the banned guns may still be in the owners' New York City homes. Paul Blackman, research coordinator at the National Rifle Association, further notes that the 98 per cent compliance figure assumes that all rifles and shotguns were actually registered 25 years ago. He estimates that at least 10,000 long guns, and perhaps as many as 25,000, were never registered to begin with.

In 1990 California banned a number of semi-automatic weapons, using a list similar to that in the new federal law. Although no one really knew the exact number of such guns in the state, the government estimated (by

assuming that the number per capita was similar to that in other states) that there were about 600,000. After two years (and several amnesties), only 60,000 of these guns had been registered. Even that number is inflated; owing to confusion over exactly which firearms fell under the ban, as many as half of the guns registered did not actually have to be.

In New Jersey, a similar ban brought even less compliance. According to the *New York Times*, more than a year after the ban went into effect less than 2 per cent of the estimated number had been registered, destroyed, or turned in. But perhaps the most eye-opening example of non-compliance is Denver, where only 1 per cent of "assault weapon" owners complied with a 1990 registration law.

A Question of Trust

THE United States is not the first country to experiment with registration. In his 1992 book *The Samurai, the Mountie, and the Cowboy: Should America Adopt the Gun Controls of Other Democracies?*, David B. Kopel, director of research at the Independence Institute, compares gun ownership and gun control in Japan, Great Britain, Canada, Australia, New Zealand, Jamaica, Switzerland, and the United States. He finds that a pool of unregistered weapons exists even in countries with strict gun control. Great Britain, long cited as a model of how registration can work, had a 67 per cent non-compliance rate five years after a shotgun-registration law was passed.

Kopel finds that compliance is greatest where the government does not attempt sweeping bans and where the people trust the government and police to administer the gun laws fairly. Noting the generally amicable relations between New Zealand gun owners and the police, Kopel asks:

Where should American gun owners turn if they wish to trust police administrators? To New York City, where the police department has refused to issue legally required licenses, even when commanded by courts to do so? The department refused even to hand out blank application forms. To Gary, Indiana, where the police also followed orders never to give anyone license application forms? To New Jersey, where the law requires that the authorities act on gun-license applications within

thirty days, but delays of several months are common, and some applications are delayed for years, for no valid reason? To St. Louis, where gun permits have routinely been denied to homosexuals, non-voters, and wives who lack their husbands' permission? New Zealand gun owners have good reason to trust their nation's police to administer laws fairly; United States gun owners have every reason not to.

The countries studied by Kopel were all democracies, but non-compliance with gun control exists under dictatorships as well. The NRA's Paul Blackman recalls a conversation he had a number of years ago with a Yugoslavian journalist. The journalist asked why the NRA was so strongly opposed to the registration of firearms. Blackman explained that registration might ultimately lead to confiscation. "Of course," the Yugoslavian agreed, "but that's why we keep *other* guns buried in our back yard."

Kopel believes non-compliance with the federal "assault weapon" ban will be between 90 and 99 per cent, primarily because of the fear that registration of the firearms on the list is just the first step toward confiscation, followed by registration (and future confiscation) of additional firearms. If so many gun owners are unwilling to register their firearms, what will they do with them? Survivalists and extremist groups such as the Minutemen of the 1960s have had long experience with hiding arms, but the interest in what is euphemistically called "long-term storage" has increased dramatically since 1990. At least one how-to book on the subject has been published, and several companies now offer supplies that help protect long metal objects from rust for several years. The firearms press reports that more and more gun owners are buying pieces of nine-inch-diameter PVC pipe with end caps.

Even the largest mainstream gun magazine, *Guns & Ammo*, has broached the subject of burying firearms. Part of the Petersen chain of hobby magazines (which includes *Motor Trend* and *Skin Diver*), *Guns & Ammo* is usually concerned with showcasing new products for sport shooters, but it finds that it has to be more politically minded than its sister magazines (after all, no one is trying to ban oxygen tanks for skin divers). Hence the May 1994 issue of the magazine

carried an article entitled "Final Option: Bury Your Guns!" The piece includes step-by-step instructions for preparing firearms and ammunition for long-term storage and offers hints on how to avoid detection of the buried cache. Keep in mind that this is a *hobby* magazine, not a publication aimed at the survivalist fringe.

The profile of people who are caching firearms does not fit the usual Bubba-with-a-pickup stereotype of gun owners. A writer for a shooting-industry publication reports that doctors, lawyers, and even judges are among the people who have privately told him they are creating their own "cemeteries" of firearms. When suspicion of the government's motives and fear of its future actions extends into the professional and legal community, it's clear a gap has opened between government policy and the public's desires.

Gun owners see measures such as the "assault weapon" ban as attacks on law-abiding citizens. Gary Kleck, professor of criminology at Florida State University, notes that "assault weapons, as defined in various state bans—and the Feinstein bill is more narrow than many of these other lists—account for only one-half of 1 per cent of all firearms used in violent crimes. That means that the firearms on the Feinstein list are even less likely to be used by criminals." In response to the assertion that the 19 firearms listed in the federal law are the favored weapons of gangs and drug dealers, Kleck says only one, the TEC-9, appears to be favored by criminals. The other types show up no more often in violent crimes than would be expected in a random selection. So even if a gun ban actually *worked*, in the sense of removing these guns from the hands of all criminals, its effect on violent crime would be negligible.

At its heart, the "assault weapon" ban conveys to American citizens the message that Congress does not trust them to possess an inanimate object. Such contempt of the people does little to encourage a feeling of trust or a willingness to comply with the law. It has long been a truism in the military that an officer should never give an order he knows will not be obeyed. Congress should ponder the implications of passing laws that will do nothing to inhibit criminals and that millions of heretofore law-abiding Americans will defy. ☐

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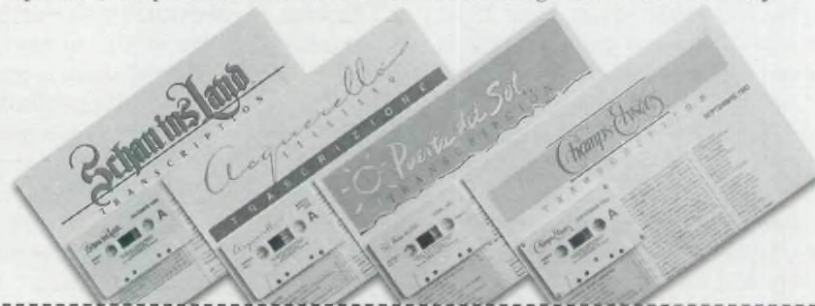
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